GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1614
ANSWERED ON:11.12.2003
FINANCIAL SUPPORT FOR SICK PSUs
JASWANT SINGH YADAV

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government has any proposal for Central Public Sector Undertakings of financial support or package under revival, closure or disinvestments programme;

(b) if so, the details thereof, PSU-wise;

(c) the total amount involved in the package, PSU-wise; and

(d) the extent to which the package will help in revival of sick PSUs?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI SANTOSH GANGWAR)

(a) to (d): Present policy of the Government on Public Sector is to:

(i) bring down Government equity in all non-strategic PSEs to 26 per cent or lower, if necessary;

(ii) restructure and revive potentially viable PSEs;

(iii) close down PSEs which can not be revived; and

(iv) fully protect the interests of workers.

In view of this policy, disinvestment of Central Public Sector Undertakings(CPSUs) is undertaken by the Government on case to case basis. Proposals regarding finalisation of packages including grant of financial support, if any, for revival/closure of loss making/sick CPSUs are initiated by the concerned administrative Ministries/Departments either at their own or as per the recommendations of the Board for Industrial and Financial Reconstruction(BIFR) to whom such CPSUs have been referred for framing suitable revival/rehabilitation plans under the provisions of Sick Industrial Companies Act, 1985 (SICA), on case to case basis. This is a continuous process and such information is not maintained centrally.